

# Submission on discussion document - AM/FM radio spectrum: 2031 expiry of licences and potential reassignment

## Your name and organisation

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<b>Organisation</b>	Entain New Zealand

## General questions

### Eligibility criteria for renewal

<b>1</b>	Should the Crown restrict eligibility to those with no outstanding fees? Should there be any exceptions to this?
	No specific opinion.

### Moratorium prior to the rights expiry

<b>2</b>	Please provide any feedback you have on the proposed moratorium date. In what circumstances should an exception to the moratorium on modifications be allowed?
	No specific opinion.

### Proposed policy objectives for the allocation process

<b>3</b>	What amendments, if any, would you make to the proposed objectives and criteria?
	Regarding fostering competition, this makes sense in theory, but not all broadcasters are financially prepared/equipped for competitive pricing. This squeezes smaller players out of the market. Propose a market based approach criteria to ensure all market types and audiences are considered regarding allocation.
<b>4</b>	Are there other objectives or criteria you would propose? If so, what are these?

### Approach to pricing commercial licences

5	Which is your preferred approach and why?
	C. Price offer and auction. This seems the fairest and gives new entrants the opportunity to bid for refused offer frequencies
6	Is there another approach you would suggest? If yes, please explain how this approach would be implemented and how it would provide greater benefit against the policy objectives than the above approaches.

### Price formula

7	Do you agree with the assumptions outlined to calculate a price offer? Why? Why not?
	Pricing based on regional population doesn't account for a station's target demographic or revenue potential of that demographic. This is an easy way of squeezing out niche stations from the radio market due to high renewal pricing. Perhaps a commercial revenue based approach would be more appropriate than a 'reach' based model.

### Duration of licences

8	Which of the two options do you prefer and why?
	Offer less time on the licenses. Given the required technology changes (introduction of DAB or alternative) into the spectrum, it doesn't make sense to renew AM for 20 years.
9	Is there another option that should be considered? What would this be and why?
10	What licence duration would make most sense for your company/organisation? Why?
	10 years. We can't see a future given the significant investment in owned, or shared towers continuing to rise.
11	What should be the difference in tenure for AM vs FM, if any?
	No specific opinion.

12	What duration of time of non-use would be appropriate for triggering the Crown's right to take back the licence?
	6 months.

#### **RNZ and Schedule 7 provisions in the Radiocommunications Act**

13	How do the sections of the Act advantage or disadvantage your business?
	No specific opinion
14	How might the Crown provide fairness to all licence holders?
15	What options do you see for how the Crown might address its preference for 10-year licences, given this legislative barrier? Would you prefer the options developed are operational or legislative? Why?
	Provide options for section 7 licensees to transfer to future technologies, as to not create a reason not to migrate (although currently undefined, DAB as an example).

#### **Non-commercial use of AM/FM radio broadcasting spectrum**

16	What changes, if any, should be made to the reservation of spectrum for iwi radio, community radio and RNZ?
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#### **Currently reserved blocks**

17	Should the reservations in block 16 – 19 continue into the new right in their current form? What changes would you make, if any?
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Ability to reserve blocks is important, but review of the current reservations would be beneficial.

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If unused spectrum was to be released, what would bring greater benefits: reassigning these licences to commercial or other non-commercial use? If non-commercial, to whom? If commercial, how should it be made available to market?

### Local Commercial FM licences

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Do you agree with comparing the original intent of LCFM with the proposals in this document to determine their continuation? If not, how would you prefer they were assessed?

No specific opinion

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Which option do you prefer: the proposal outlined or maintaining the status quo (Local Commercial licences remain, with strict conditions and are charged at a lesser price than commercial licences)? Please explain why you prefer this option.

No specific opinion

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If maintaining the status quo, how should the price be calculated to account for the retention of strict content provisions in the licence agreement while acknowledging that these are commercial licences with revenue potential?

No specific opinion

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If the proposal outlined is to progress, will there be enough time to transition by April 2031? If not, why not?

### Closing comments

Are there any other comments you wish to make?

DAB is a critical technology here that will alleviate the increasing cost to service AM.